

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

HALLIBURTON ENERGY SERVICES, INC.,

Plaintiff,

v.

WEATHERFORD INTERNATIONAL, INC.
and BJ SERVICES COMPANY,

Defendants.

CIVIL ACTION NO. 3:02-CV-1347-N

**PLAINTIFF HALLIBURTON'S REPLY TO
DEFENDANT BJ'S COUNTERCLAIMS**

Plaintiff Halliburton Energy Services, Inc. ("Halliburton") replies to Defendant BJ Services Company's ("BJ's") Counterclaims, as follows:

1. Halliburton admits the allegations contained in paragraph 1 of the Counterclaims on information and belief.
2. Halliburton admits the allegations contained in paragraph 2 of the Counterclaims.
3. Responding to paragraph 3 of the Counterclaims, Halliburton admits that BJ purports to invoke the referenced statutes and bring counterclaims for a declaratory judgment but denies that BJ is entitled to any relief thereon. Halliburton specifically denies the allegations contained in the second line of paragraph 3 of the Counterclaims. BJ has made no colorable counterclaim for patent infringement as alleged in the second line of paragraph 3 of the Counterclaims.

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4. Subject matter jurisdiction cannot be "admitted" or "denied"; however, Halliburton does not contest subject matter jurisdiction. Halliburton admits that venue is present and proper as Halliburton has an extensive presence and contacts in this District and Division.

5. Halliburton incorporates its responses to BJ's allegations in paragraphs 1-4 of the Counterclaims which BJ purports to incorporate by reference in paragraph 5 of the Counterclaims.

6. Subject matter jurisdiction cannot be "admitted" or "denied" but Halliburton does not contest that there is a "justiciable controversy" regarding U.S. Patent No. 5,271,468 ("the '468 Patent") as alleged in paragraph 6 of the Counterclaims.

7. Halliburton denies the allegations contained in paragraph 7 of the Counterclaims.

8. Halliburton denies the allegations contained in paragraph 8 of the Counterclaims.

9. Halliburton denies the allegations contained in paragraph 9 of the Counterclaims.

10. Halliburton moves for a more definite statement of the allegations contained in paragraph 10 of the Counterclaims. BJ's conclusory allegations are insufficient, including because they fail to specify the alleged "patent misuse" or the supposed "relevant market" or "market power in the relevant market." The Counterclaims are so vague and ambiguous in respect to the above matters that Halliburton cannot reasonably be required to frame an answer thereto. To the extent BJ's

allegations contained in paragraph 10 of the Counterclaims are comprehended, Halliburton denies the allegations and demands strict proof thereof.

11. Halliburton incorporates its responses to BJ's allegations in paragraphs 1-4 of the Counterclaims which BJ purports to incorporate by reference in paragraph 11 of the Counterclaims.

12. Subject matter jurisdiction cannot be "admitted" or "denied" but Halliburton does not contest that there is a "justiciable controversy" regarding U.S. Patent No. 5,224,540 ("the '540 Patent") as alleged in paragraph 12 of the Counterclaims.

13. Halliburton denies the allegations contained in paragraph 13 of the Counterclaims.

14. Halliburton denies the allegations contained in paragraph 14 of the Counterclaims.

15. Halliburton denies the allegations contained in paragraph 15 of the Counterclaims.

16. Halliburton moves for a more definite statement of the allegations contained in paragraph 16 of the Counterclaims. BJ's conclusory allegations are insufficient, including because they fail to specify the alleged "patent misuse" or the supposed "relevant market" or "market power in the relevant market." The Counterclaims are so vague and ambiguous in respect to the above matters that Halliburton cannot reasonably be required to frame an answer thereto. To the extent BJ's allegations contained in paragraph 16 of the Counterclaims are comprehended, Halliburton denies the allegations and demands strict proof thereof.

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17. BJ's "Prayer for Relief" does not contain any allegation requiring an admission or denial; however, Halliburton denies that BJ is entitled to any of the requested relief.

18. Halliburton denies that BJ is entitled to any declaratory relief.

19. Halliburton denies that BJ is entitled to attorneys' fees, expenses, costs or any other relief prayed for in the Counterclaims.

20. Halliburton denies all allegations in the Counterclaims that are neither specifically admitted nor qualified in this Reply.

21. BJ's "Affirmative Defenses" Paragraphs 1-7 contain no specific allegations requiring either an admission or denial. To the extent that any of BJ's "Affirmative Defenses" can be interpreted as a factual allegation, or to the extent they purport to set up claims or seek to establish any liability against Halliburton, Halliburton specifically denies each and every factual allegation in Paragraphs 1-7 of BJ's "Affirmative Defenses." To the extent that BJ bears the burden of proof on its affirmative defenses, Halliburton demands strict proof of the allegations.

22. The Counterclaims fail to state a claim against Halliburton upon which relief can be granted, and therefore, should be dismissed.

23. BJ is not entitled to the relief prayed for or to maintain the Counterclaims because of unclean hands and/or estoppel.

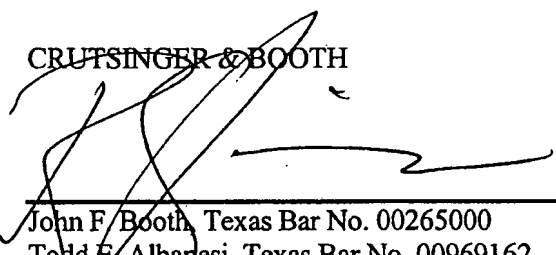
24. BJ has brought its Counterclaims in bad faith making it an exceptional case, thereby entitling Halliburton to its costs and attorneys' fees pursuant to 35 U.S.C. § 285.

WHEREFORE, Halliburton prays for relief as follows:

- a. that BJ's claims be denied and that the Counterclaims be dismissed;
- b. that Halliburton be awarded its costs and reasonable attorneys' fees; and
- c. for such other and further relief as the Court may deem just and proper.

Dated: August 19, 2002

~~CRUTSINGER & BOOTH~~


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CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of August, 2002, a true and correct copy of the within document was caused to be served on the attorneys of record at the following addresses as indicated:

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